

RECORDATION NO. 8292 Filed & Recorded

APR 14 1976 2 45 PM

INTERSTATE COMMERCE COMMISSION

TEMPORARY CONDITIONAL SALE AGREEMENT

Dated as of April 12, 1976

Between

SHENANDOAH-VIRGINIA CORPORATION

And

NORFOLK AND WESTERN RAILWAY COMPANY

TEMPORARY CONDITIONAL SALE AGREEMENT dated as of April 12, 1976, between SHENANDOAH-VIRGINIA CORPORATION, a Virginia corporation (the "Manufacturer"), and NORFOLK AND WESTERN RAILWAY COMPANY, a Virginia corporation (the "Railroad").

R E C I T A L S

The Manufacturer has agreed to construct, or arrange to have constructed, sell and deliver to the Railroad, and the Railroad has agreed to purchase, the railroad equipment described in Schedule A hereto (the "Equipment").

In order that the Equipment may be delivered to and put to use by the Railroad or its subsidiary or affiliate pending consummation of arrangements for financing the acquisition of the Equipment by the Railroad, the Manufacturer has agreed that the Railroad may acquire possession of and the right to use the Equipment or any units thereof in accordance with and subject to the terms of this Agreement and that the Railroad may grant possession of and the right to use the Equipment or any unit thereof to its subsidiary or affiliate on such terms not inconsistent with the terms of this Agreement as the Railroad sees fit.

* * * * *

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the Manufacturer and the Railroad hereby agree as follows:

ARTICLE 1. Construction and Sale. Pursuant to this Agreement, the Manufacturer will construct, or arrange to have constructed, the Equipment at the plant set forth in Schedule A hereto and will sell and deliver the Equipment to the Railroad, and the Railroad will purchase from the Manufacturer and accept delivery of and pay for the Equipment as hereinafter provided, each unit of which will be constructed in accordance with the specifications referred to in Schedule A hereto and in accordance with such modifications thereof as may have been agreed upon in writing by the Manufacturer and the Railroad (which specifications and modifications, if any, are hereinafter called the Specifications).

ARTICLE 2. Delivery. The Manufacturer will deliver the Equipment to the Railroad f.o.b. the Railroad's tracks at the point or points and in accordance with the delivery schedule set forth in Schedule A hereto. The Manufacturer's obligation as to time of delivery is subject, however, to delays resulting from causes beyond the Manufacturer's reasonable control.

Upon the completion of construction of one or more units of the Equipment, said unit or units shall be presented to an authorized representative of the Railroad for inspection at the place designated in Schedule A hereto for delivery of such unit or units. Such authorized representative shall execute and deliver to the Manufacturer, in duplicate, a certificate of acceptance therefor.

Upon delivery by the Manufacturer to the Railroad and acceptance by the Railroad of a unit of the Equipment hereunder, the Railroad assumes the responsibility and risk of loss with respect thereto.

ARTICLE 3. Purchase Price and Payment. The estimated unit price or prices and the estimated total price or prices of the Equipment are set forth in Schedule A hereto. Such estimated price or prices, which will include off-line freight charges, if any, from the Manufacturer's plant to the point of delivery, are subject to such increase or decrease as may be, or may have been, agreed to by the Manufacturer and the Railroad. The term "Purchase Price" as used herein shall mean the estimated price or prices as so increased or decreased.

The Railroad hereby acknowledges itself to be indebted to the Manufacturer in the amount of, and hereby promises to pay in cash to the Manufacturer at such place as the Manufacturer may designate, the Purchase Price of the Equipment as stated in the invoice or invoices thereof. The Railroad shall be obligated to make such payment in respect of each unit of the Equipment on or before six months following the date of its delivery to and acceptance by the Railroad hereunder, and such payment may be made hereunder or under arrangements for financing the acquisition of such unit by the Railroad.

ARTICLE 4. Taxes. All payments to be made by the Railroad hereunder will be free of expense to the Manufacturer for collection or other charges and will be free of expense to the Manufacturer with respect to the amount of any local, state or federal taxes -- other than income, gross receipts (except gross receipt taxes in the nature of sales taxes), excess profits and similar taxes -- or licenses hereafter levied or imposed upon or measured by this Agreement or any sale, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which expenses, taxes and licenses the Railroad assumes and agrees

to pay on demand in addition to the indebtedness in respect of the Purchase Price of the Equipment. The Railroad will also pay promptly all taxes and assessments which may be imposed upon the Equipment, upon the use or operation thereof, upon the earnings arising therefrom or upon the Manufacturer solely by reason of its ownership thereof and will keep at all times all and every part of the Equipment free and clear of all taxes and assessments which might in any way affect the title of the Manufacturer or result in a lien upon any unit of the Equipment.

ARTICLE 5. Title to the Equipment. The rights of the Railroad hereunder in respect of each unit of the Equipment shall commence on the date of acceptance of such unit hereunder and shall cease on the date of payment by the Railroad to the Manufacturer of the Purchase Price of such unit hereunder or under arrangements for financing the acquisition thereof. The Manufacturer shall and hereby does retain the full legal title to and property in the Equipment until the Railroad shall have made all of the payments hereunder and shall have kept and performed all its agreements contained herein, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Railroad

as herein provided. Any and all additions to the Equipment and any and all replacements of parts thereof and additions thereto shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

Absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Railroad or other vendee designated by the Railroad only when the Railroad shall have paid or caused to be paid to the Manufacturer the Purchase Price of the Equipment hereunder or under arrangements for financing the acquisition thereof and the Manufacturer or its successor in interest shall have delivered to the Railroad or other vendee designated by the Railroad a bill of sale for such units hereunder or thereunder.

ARTICLE 6. Marking of Equipment. The Railroad will cause each unit of the Equipment to be kept numbered with an identifying number as set out in Schedule A hereto and will keep and maintain, or cause to be kept and maintained, distinctly, conspicuously and permanently marked in stencil on each side of such unit, in letters not less than one inch

in height, a legend designated by the Manufacturer, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Manufacturer to the Equipment and its rights under this Agreement.

Except as above provided, the Railroad will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Railroad may cause the Equipment to be lettered "Norfolk and Western," "N&W," "NW," or in some other appropriate manner for convenience of identification of the interests of the Railroad therein or of identification of the interests therein of a subsidiary or affiliated railroad company controlled by the Railroad to which the Railroad shall grant the right to possession and use of the Equipment.

ARTICLE 7. Replacement of Equipment. In the event that any unit of the Equipment shall be or become worn out, lost, destroyed, irreparably damaged, condemned, seized by a government or otherwise rendered permanently unfit or unavailable for use from any cause whatsoever prior to the payment of the full indebtedness in respect of the Purchase

Price of the Equipment hereunder or under arrangements for financing the acquisition of such unit by the Railroad, the Railroad shall promptly and fully inform the Manufacturer in regard thereto and shall pay to the Manufacturer the Purchase Price of such unit.

ARTICLE 8. Maintenance and Repair. The Railroad will at all times maintain the Equipment or cause the Equipment to be maintained in good order and repair at no expense to the Manufacturer.

ARTICLE 9. Compliance with Laws and Rules. During the term of this Agreement the Railroad will comply in all respects with all laws of the jurisdictions in which its operations involving the Equipment may extend, with the Interchange Rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the operation or use of the Equipment.

ARTICLE 10. Indemnification by Railroad. The Railroad shall indemnify, protect and hold harmless the Manufacturer from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of

the cause thereof, and expenses in connection therewith, including counsel fees, arising out of retention by the Manufacturer of title to the Equipment, or out of the use and operation thereof during the period when title thereto remains in the Manufacturer. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Purchase Price and the conveyance of the Equipment, as provided in Article 3 hereof, or the termination of this Agreement in any manner whatsoever.

ARTICLE 11. Assignment by Manufacturer. All or any of the rights, benefits and advantages of the Manufacturer under this Agreement including the right to receive the payments in respect of the Purchase Price of the Equipment herein provided to be made by the Railroad, may be assigned by the Manufacturer.

ARTICLE 12. Article Headings. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

ARTICLE 13. Effect and Modification of Agreement. This Agreement and Schedule A hereto exclusively and completely state the rights and agreements of the Manufacturer

and the Railroad with respect to the Equipment and supersede all other agreements, oral or written, with respect to the Equipment. No variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Manufacturer and the Railroad.

ARTICLE 14. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Virginia.

ARTICLE 15. Termination. This Agreement shall be terminated and the terms hereof superseded in their entirety upon the delivery to and acceptance by the Railroad of all units of the Equipment and the payment by the Railroad to the Manufacturer of the Purchase Price of all such units under one or more conditional sale or other equipment financing agreements, except the terms of Articles 4 and 10 hereof to the extent not covered by such permanent financing arrangements.

ARTICLE 16. Definitions. The term "Manufacturer," whenever used in this Agreement, means, before any assignment of any of its rights hereunder, Shenandoah-Virginia Corporation and any successor or successors for the time being to its rights, powers, duties and obligations under an Agreement for

Construction of Railroad Equipment dated as of March 1, 1976, between said corporation and the Railroad, under which the Railroad, as an independent contractor, has agreed to construct and complete, for said corporation and as its property, certain railroad equipment, including the Equipment.

ARTICLE 17. Execution. This Agreement, which is dated for convenience as of April 12, 1976, may be executed in any number of counterparts, each of which shall be deemed to be an original, and such counterparts together shall constitute a single instrument. The actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments annexed hereto.

IN WITNESS WHEREOF, the Manufacturer and the Railroad have caused this instrument to be signed and acknowledged by their proper officers and their corporate seals to be hereunto affixed and duly attested, all as of the day and year first above written.

SHENANDOAH-VIRGINIA CORPORATION

ATTEST:

Joseph Patrick
Secretary

By

J. T. Valley
President

NORFOLK AND WESTERN RAILWAY COMPANY

ATTEST:

J. A. Collier
Assistant Secretary

By

John R. Turley
Vice President - Finance

COMMONWEALTH OF VIRGINIA)
) ss.:
 CITY OF ROANOKE)

On this *12th* day of April, 1976, before me personally appeared James T. Valleroy, to me personally known, who being by me duly sworn, says that he is President of Shenandoah-Virginia Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument by him on this date was the free act and deed of said corporation.

My Commission Expires April 5, 1977

Judy A. DeLauney
 Notary Public

COMMONWEALTH OF VIRGINIA)
) ss.:
 CITY OF ROANOKE)

On this *12th* day of April, 1976, before me personally appeared John R. Turbyfill, to me personally known, who being by me duly sworn, says that he is Vice President - Finance of Norfolk and Western Railway Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument by him on this date was the free act and deed of said corporation.

My Commission Expires April 5, 1977

Judy A. DeLauney
 Notary Public

SCHEDULE A
 To
 TEMPORARY CONDITIONAL SALE AGREEMENT
 Dated as of April 12, 1976
 Between
 SHENANDOAH-VIRGINIA CORPORATION
 And
 NORFOLK AND WESTERN RAILWAY COMPANY

<u>Type of Equipment</u>	<u>Specifications</u>	<u>AAR Symbol</u>
52'6" 100-ton extended- end gondola cars (NW Class G-73)	Railroad's Drawing No. E-51891	GBS
<u>Plant</u>	<u>Quantity</u>	<u>Railroad's Road Numbers</u>
Railroad's Shops at Roanoke, Virginia	750	189750 - 190499
<u>Estimated Unit Price</u>	<u>Estimated Total Price</u>	<u>Delivery</u>
\$24,780	\$18,585,000	At Roanoke, Virginia, from July 1976 through November 1976

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<u>Type of Equipment</u>	<u>Specifications</u>	<u>AAR Symbol</u>	
100-ton open top hopper cars (NW Class H-12)	Railroad's Drawing No. J-51780	HT	
<u>Plant</u>	<u>Quantity</u>	<u>Railroad's Road Numbers</u>	
Railroad's Shops at Roanoke, Virginia	2,000	140001 - 142000	
<u>Number of Units</u>	<u>Estimated Unit Price</u>	<u>Estimated Total Price</u>	<u>Delivery</u>
303	\$22,675	\$ 6,870,525	At Roanoke, Virginia, from May 1976 through September 1977
1,697	25,050	42,509,850	